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The Story of a Certain Principle

ON January 25th a convention was signed in Moscow between the U.S.S.R. and Germany concerning "agreed procedure." The essence of this convention consists in providing that any conflicts which may arise between the two States which cannot be resolved by the customary diplomatic channels are to be referred to the consideration of a special commission. This commission is organised on the basis of equality and consists of two representatives of each country. The commission has no chairman, and all the issues brought before it for consideration are to be decided on the basis of voluntary agreement. The commission is to meet for a regular session once a year and also in extraordinary session in the event of either country desiring this.

Such is the far from involved content of the convention signed at Moscow a few days ago. It is an extraordinarily interesting document. It is the consummation of a long period of struggle which the Soviet State has been waging on the issue of so-called arbitration. Of

course, the convention does not end that struggle, but it does herald a definite setback to the principle of "arbitration" as directed against the U.S.S.R.

WE know that for many years the capitalist States, both individually and jointly have been attempting to bind the U.S.S.R. by arbitration treaties. There has not been a single instance of any political negotiations between the U.S.S.R. and any capitalist State which has not sooner or later found itself in the arbitration cul-de-sac. The U.S.S.R.'s view on arbitration was and remains unchanged. Soviet foreign policy systematically rejects the application of the principle of arbitration to the mutual relationships between the U.S.S.R. and this, that or the other bourgeois government. There can be no doubt of the fact that in disputes between the Soviet State and any bourgeois-capitalist State it is impossible to find any genuinely dispassionate and genuinely neutral arbiter. Quite inevitably the class and social

attachments of such an arbiter would force him to bring in a decision against the U.S.S.R. and in favour of its opponent. Arising out of this obvious truth, the U.S.S.R. has turned down all proposals touching arbitration treaties. Meantime, this very rejection of the principle of arbitration has given a number of bourgeois governments some excuse for declaring that the Soviet Government will accept no methods whatever of peaceful settlement of conflicts, and that its aggressive nature is thus laid bare. And even more. The Soviet Government's refusal to accept the principle of arbitration has invariably been exploited by the corresponding bourgeois governments as an excuse for rejecting the Soviet peace proposals, such as pacts of non-aggression and so on. Both the Polish diplomats and their French patrons, such as Briand, have more than once declared that the rejection of arbitration makes the guarantees offered by the Soviet Government quite illusory.

The principle of arbitration is at the present time the official principle of the League of Nations and is fervently defended by all its numerous commercial travellers.

FINALLY—and this is a most curious fact—the principle of arbitration in political treaties is an official principle in social-democracy's program of foreign policy. Social-democracy not only demands the application of this principle to conflicts between two capitalist governments, but absolutely foams in its insistence that the same principle shall be accepted by the U.S.S.R. government. The social-democrats pretend that they do not observe the circumstance that when there is a dispute between capitalist States, of which one is a Great Power, and the other a small State, so-called neutral arbitration inevitably decides in favour of the larger party (unless a still larger party stands directly at the back of the smaller State). It is difficult to imagine for instance that in a conflict between Britain and Latvia say, the neutral arbiter would decide in favour of Latvia and against Britain. Formal neutrality is in practice transformed into the complete dependence of the judges on the largest power and strongest partner in the dispute, and the formal sovereignty and equality of both parties

is in practice transformed into the subjection of the weak State to the stronger State.

Such is the basis, or rather the application of the arbitration principle in disputes between two States which are representatives of the same class. It is still more obvious that the application of such a principle in the settlement of conflicts between socialist and capitalist States would in present circumstances result in the U.S.S.R. being bound to the will of this or that capitalist government. It goes without saying that this circumstance does not disturb the social democrats. On the contrary, the more evident it is, the more furiously do the leaders of social democracy defend the necessity of the U.S.S.R. accepting the "universal principle of arbitration." The worthy representative of French social democracy and the executor of Poincaré's most reactionary plans, one of the co-authors of the Anglo-French naval compromise, Paul Boncour, is, as is well-known, the most ardent in asserting that the U.S.S.R. should accept the principle of arbitration. It was Paul Boncour who not so very long ago in the French Chamber of Deputies demonstrated the impossibility of Poland and Roumania adopting any other policy towards the U.S.S.R. than that which both these States are already pursuing, and this because the U.S.S.R. refuses to accept the application of the principle of arbitration. It is sufficient to think of any French arbiter in some conflict between the U.S.S.R. and Poland or Roumania in order to see only too plainly all the hidden purport of such declarations on the part of this social democratic thimble-rigger. Besides, the U.S.S.R. has already had an opportunity of seeing the results of such arbitration in the dispute between that country and Roumania. The Paris protocol of 1920, which recognises Bessarabia as a component part of Roumania, is a classic example of such "arbitration."

TO this bourgeois social democratic principle the Soviet diplomacy has always opposed the principle of "agreed procedure." Whilst declaring that there can be no such thing as a neutral judge between the world of socialism and the world of capitalism, the U.S.S.R. has nevertheless never rejected peaceable methods of resolving conflicts during the period of the temporary co-existence of

the two systems of national economy. On the contrary, the U.S.S.R. has always declared and still declares that such peaceable methods of settling conflicts are both possible and desirable. None the less, one condition must be observed always: the complete and genuine equality of the countries, which can guarantee their voluntary, completely unfettered and undictated agreement. Only such an agreement can be accepted by the U.S.S.R., only such an agreement can correspond to the interests of the toilers and to the interests of peace.

Hitherto the U.S.S.R. had not succeeded in concluding one such agreement. With the energetic and active support of the social democrats the various bourgeois governments have always rejected the Soviet proposals in this direction. This was the case during the negotiations with Poland and with the Baltic States. Germany equally had hitherto not consented to a convention on agreed procedure. The German bourgeoisie continually lived in the hope of getting the U.S.S.R. to accept the principle of arbitration. Meantime the growing economic conditions between Germany and the U.S.S.R., and the existence of a number of agreements between the two countries, with the possibility of certain of the clauses of those agreements being interpreted differently by the two countries concerned, have compelled the leaders of German policy to conclude some kind of agreement establishing the methods of settling any conflict that may arise.

GERMANY'S signature to the convention on agreed procedure witnesses first and foremost to the fact that the German bourgeoisie has become convinced of the utter impossibility of binding the U.S.S.R. to any principle of arbitration, just as they have become convinced of the impossibility of compelling the U.S.S.R. to repeal the monopoly of foreign trade. Having thus become convinced, the German bourgeoisie have revealed a certain manœuvring ability and have made an agreement which ensures them a

definite possibility of settling any issue in which they may be interested. There is no doubt whatever that such a convention on agreed procedure and the methods of settling conflicts which that convention provides will be of advantage not only to the U.S.S.R. but to Germany also.

None the less, the most interesting feature of this question is the conduct of the German social-democrats. The German social democrats, which in their fear of revolution have always occupied a still more irreconcilable position in regard to the State of proletarian dictatorship than have the bourgeoisie, who outvied the bourgeoisie in their miserable slander of the U.S.S.R., who have been the pioneers of the "western orientation" in Germany and still insist on that orientation, have now, on becoming a component part of the coalition government, come up against the necessity, in the interests of German capital, of retreating from their "principle" in the arbitration issue. This, of course, does not signify that German social democracy has even for one moment flagged in its anti-Soviet activities. It has taken this step not out of a desire for peace with the country of proletarian dictatorship, but in the interests of German capital, which is now faced with the prospect of the first really serious reparations payments and has suffered a number of serious defeats in its "western" policy.

There is a further feature of interest. Having in their capacity as members of the cabinet, given their agreement to the conclusion of a convention on agreed procedure with the U.S.S.R., how can the social democratic publicists continue their malevolent agitation to the effect that the U.S.S.R. will not accept any measures for the peaceful settlement of conflicts?

For that matter, it is hardly worth doubting that they will find some "suitable" argument in favour of their continuing their anti-Soviet campaign of calumny.

Comintern Instructions to Forthcoming Party Congresses

By A. Martinov

CONGRESSES are shortly to be held in four sections of the Comintern: the Czechoslovakian, Austrian, Belgian and American Communist Parties. All these congresses will be held during a time of struggle against the right-wing danger and against all conciliatory attitudes to the right tendency.

The Comintern Sixth Congress was right in its view as to the chief danger at the present stage of development of the world Communist movement. The necessity of reorganising our ranks and tactics in application to the intensifying internal and external antagonisms of the third period of capitalism's crisis, and in application to the developing class struggles, has everywhere come up against a certain amount of inertia. In connection with the new course laid down by the Comintern, everywhere rightward deviations from the Comintern line have arisen, thanks to which certain sections have recently revealed an isolation from the masses, and stagnation or even a decline in the Party membership. As a result certain parties have recently suffered defeats, despite favourable objective conditions. These facts are by no means to be interpreted as meaning that the Comintern sections have taken a step backward in their development, that they are now retrogressing, as the social democrats like to imagine. They witness to the fact that a number of the Comintern sections are, with great difficulty and with great friction—sometimes even the friction of an internal party crisis—taking a step forward, are lifting themselves to a higher stage, one corresponding with the new situation of the intensifying struggle.

THE RIGHT WING IN THE PARTIES

The rightward deviations have taken on the most definite forms and have developed the

most complete ideological expression in the C.P. of Germany. But the same party has resolutely and highly successfully carried on a struggle against the right-wingers. The clarity of the position taken up by the Central Committee of the German C.P. and by the right wing Bandlerites who revolted against the Committee, and also the successful struggle waged against the right-wing fraction are all explained by the fact that the German C.P. is a mass party, that it has accumulated a considerable revolutionary experience since the war, and that its ideological standard is higher than that of other Comintern sections, excluding the C.P.S.U. Consequently, the experience of the struggle which under the direction of the Comintern the German C.P. is waging at the present time against the right-wingers and the advocates of conciliation is very instructive for all Communist Parties. None the less it would be a great error to consider that the methods of struggle adopted by the German C.P. can be mechanically applied in all the other Comintern sections.

In the first place it must be borne in mind that whilst the rightward deviation everywhere has the same common features, none the less they take on distinctive forms according to the various sections, and in dependence on the definite political circumstances of struggle and on the internal state of the Party, on its traditions, its social composition, its degree of development and so on. Secondly, in certain sections of the Comintern which are at a lower stage of ideological development than the German C.P., the rightward trend and the struggle against that trend for this very reason do not take on such a clear-cut form. In these parties the rightward trend more frequently takes on the form of hidden opportunism than it does in the case of the German conciliatory group. The Comintern instructions, and in particular those of the

Sixth Congress are formally acknowledged, but they are subjected to a false interpretation; or else the opportunism is not ideologically formulated at all, but is revealed in practice, which by the way by no means diminishes its danger. Thirdly, the advocates of the rightward and conciliatory deviations are different groupings of the Party in different sections. In certain cases a large proportion of the directing nuclei of the Party and extensive sections of the local party, and especially the trade union responsible workers are infected with hidden opportunism (Czecho-Slovakia). In other cases the directing body of the Party is sincerely endeavouring to carry out the Comintern line and is quite energetically practising the art of self-criticism, but the general Party and particularly the trade union ranks are in practice committing out-and-out opportunist errors (France). In yet other cases, the central committee has gradually adjusted its line to accord with that of the Comintern, but there is still an opposition minority occupying a right wing, opportunist position inside the leadership (Austria). And finally, there is a party in which the majority and the minority among the leaders have been carrying on a stern fractional struggle for a number of years, but this struggle, being a fight for the command of the Party which has no adequate basis in principle, is not rendering it easier, but rather more difficult for the Party to free itself from the rightward deviations which both the one and the other group are following (American C.P.). In view of these heterogeneous conditions it is not everywhere possible to cut the Gordian knot and to amputate the opportunist elements, as was done in Germany. Owing to this fact, in order to overcome the rightward danger the Comintern has not only to carry on a stern and unbending ideological struggle against the offending comrades, but simultaneously to carry on a highly flexible organisational struggle against them in the various sections. It was from this consideration that the Comintern arrived at its previous decisions and at its latest instructions for the forthcoming four Party Congresses.

CZECHO-SLOVAKIA

Immediately after the Sixth Congress the Comintern directed an "open letter" to the

Czecho-Slovakian Party. The Comintern is now sending a second "open letter" to the Czecho-Slovakian Party Congress. In the first letter the E.C.C.I. indicated that "the Communist Party of Czecho-Slovakia is experiencing an internal crisis, the immediate cause of which is the collapse of the Red Day" of July 26th, 1927. But the Comintern recognised the basic cause of the crisis to be the "opportunist lethargy" of the Party, which was especially clearly revealed in the conditions caused by the necessity imposed of taking up a more energetic and initiative attitude with a view to the independent leadership of the class struggle. This cause has its roots in the conditions of the Party's formation: "In the case of the C.P. of Czecho-Slovakia, which at the time of its foundation was endowed with a considerable social democratic inheritance and which has at no time during its existence been steeled by a revolutionary fight of the masses, the elaboration of a Bolshevik and revolutionary policy of its own, completely opposed to the policy of the reformists, cannot but be a most difficult task."

The so-called "historical right" which was in command of the C.P. of Czecho-Slovakia, split away after the Sixth Plenum. The openly liquidatorial group which had carried on a struggle against the Comintern decisions along the same lines as the Bandler group, was routed out. Then a Party leadership was formed, consisting of a majority of left-wingers, to which comrade Jilek's group also attached itself. The basis of this new leadership was a bloc between the left-wingers and comrade Smeral's group. This leadership, headed by comrade Jilek and others, also carried on a successful struggle against the Trotskyists. But in the very course of this struggle against the Trotskyists the new leadership flagged in the struggle against the rightward trend in the Party. As a result, as the first letter said: "In spite of the partial successes of the Party in its struggle against the rightward deviations, the opportunist elements retained strong positions, particularly in the extra-parliamentary mass organisations. In the conduct of the economic fight and of trade union activity, social democratic methods remained predominant. . . . Inactivity in the struggle against the danger of war and of Fascism, the exaggeratedly legal

attitude in practical work, and the lack of attention paid to national and peasant questions" are among the "shortcomings of the Party, connected with its social-democratic traditions." Thus the "Open Letter" of September last summed up the state of the C.P. of Czechoslovakia under the leadership of comrade Jilek and his adherents. Under such a leadership the Party was not able to reorganise itself in application to the new conditions of the "third period." During "this period, in which the activity of the proletariat rapidly increased and found utterance in spontaneous strikes and spontaneous protests. . . the wrong conception of the consequences of capitalist stabilisation led to tendencies which wholly ignored the contradictions arising on the basis of stabilisation and the aggravation of class differences. The Party remained in the background in relation to the increasing class struggle and to the growing danger of war, and this inactivity gradually assumed a drastically opportunistic character. The Party proved unprepared to effect any rapid mobilisation and re-formation of its ranks. . . The Party consequently committed in the course of last year a series of very significant errors, which caused the sympathies it enjoyed among the working masses to wane considerably, so that on the Red Day the Party found itself completely isolated from the masses." What were the greatest errors the Party had committed? "On the occasion of the demonstrations on March 29th and April 3rd, which embodied a protest against the decline of social insurance legislation . . . the Party allowed itself to be won over to the idea of an agreement with the reformists, actually withdrew the slogan of a general protest strike and of the convocation of a congress of factory committees, and made the rest of the campaign dependent on parliamentary combinations and manœuvres." Further, owing to the wrong tactics adopted by the Party, the Red trade unions and the Party suffered a serious defeat during the politically important struggle of the metal-workers. When on May 16th the governmental agrarian party organised a demonstration against the working class, in which demonstration tens of thousands of poor and middle peasants participated side by side with the landed proprietors, the Party failed to oppose

it by a counter-demonstration of the workers in order to reveal our agrarian demands to the peasants gathered in Prague. And all this had its consummation in the extreme failure of the Red Day.

From these facts the first September "open letter" drew the conclusion that the Party had lost contact with the masses, and accordingly gave instructions for "the concentration of all the Party forces for a determined fight against the danger from the right," and for the beginning of an extensive discussion in the Party to this end. "In the course of a comprehensive discussion new elections of all leading officials must be organised, from the nucleus to the district administration. At the new elections it is particularly young and truly revolutionary comrades, in intimate touch with the masses, that must be recruited for the most important work in the Party and for work in the mass organisation, starting with the very lowest officials. All that hinders the activity of the C.P. of Czechoslovakia and have not yet got the better of their social democratic traditions must be eliminated. The discussions are to terminate in the convocation of a Party Congress."

Such was the estimate of the situation in the Party, and such the practical instructions given in the E.C.C.I.'s September "Open Letter." The second "Open Letter," directed to the Fifth Congress of the C.P. of Czechoslovakia, declares that during the past six months the Party has not succeeded in carrying out the instructions of the Comintern, that it has not developed an extensive discussion on the basis of the "Open Letter," that almost to its close the discussion was of a superficial character, that in its direction of the re-elections of all the leading organs the Party had not sufficiently attached "young comrades, free from social democratic traditions, who have assimilated the revolutionary idea and have received a practical course of work in the lower organisations." At the same time the Party has continued to commit opportunist errors. "The Party has still not entirely renounced its inaccurate view that the social democratic party is a party of the working class equally with the Communist Party. The Party continues to criticise blocs with the leaders of the reformists and shares with them the leadership of the insurgent masses (the

struggle against the disadvantageous changes in the social insurance law, the miners' movement in Mährisch-Ostrau), the Party continues to be lethargic at important political moments, such as, for instance, the celebration of the tenth anniversary of the Czechoslovakian republic." As a result, the Party influence with the masses has weakened, especially in the Czech areas, as is shown by the last municipal elections, and this despite the strong leftward movement of the masses, despite the fact that the activity of the working masses sometimes reaches a very high level (The miners' strike in Kladno, etc.).

At the same time this second "Open Letter" declares that the discussion has already had one positive result. "The positive result of the discussion was that during its course an opposition, with comrade Gottwald at its head, emerged, took on a definite formation and consolidated its position, embracing the leading active sections of the Party, and not only acknowledging the "Open Letter," but insistently struggling for the realisation of the tasks set by it. This opposition had to carry on the struggle both against the former Trotskyists (the Neurath group) who endeavoured to unite around a platform which had little to distinguish it from the views of the right wing liquidators, and also against the Jilek group which, whilst formally acknowledging the E.C.C.I. "Open Letter," in reality took no steps whatever to develop a discussion and were passive in the struggle against the openly right wing, liquidatorial tendencies."

To these words, taken from the last "Open Letter," we may add that the Gottwald group which has energetically carried out the policy of the Comintern can now no longer be called an "opposition," inasmuch as it now has a majority in the Central Committee and inasmuch as Party conferences in the four most important Czech regions, in Prague, Kladno, Ostrau and Koenigratz have already declared in its favour—a highly significant fact, since the right wing danger was strong in the purely Czech areas.

The second "Open Letter" says: "That which failed to be achieved before the congress must be brought into existence after the congress by the new C.C. which is to be elected there." Judging by the successes which the

group headed by comrade Gottwald has recently achieved, one can say confidently that the hopes which the second "Open Letter" sets in the Fifth Congress of the C.P. of Czechoslovakia are absolutely justified.

AUSTRIA

The E.C.C.I.'s Open Letter to the Tenth Congress of the C.P. of Austria begins with a survey of the situation arising in Austria after the July, 1927, rising. "The period since the Ninth Congress of the C.P. of Austria has been distinguished by a decisive change in Austria's political situation and particularly in the policy of Austrian reformism. On July 15th, 1927, when the Viennese proletariat rose spontaneously to struggle, social democracy ranged itself in a united front with the bourgeoisie. The agreement concluded on October 7th between them and the Fascist bands of the Seipel government signifies that at last they have thrown off the "left wing" mask of Austro-Marxism. The period since July 15th, 1927 has seen a systematic attack on the living standards of the working class by the Austrian bourgeoisie. The development of rationalisation on the one hand, and the Fascist offensive on the other—these are the characteristic features of this period. "The consolidation of the State power," i.e., the attempts to betray democracy by methods of open dictatorship, the governmental support of the Fascist organisations, the bloc of the social democrats and the Fascists (7th October), are all facts which to every worker in Austria clearly indicate the change in the situation since July 15th."

This new situation in Austria and especially the political bankruptcy of Austro-Marxism, which had previously occupied a monopolist position in the Austrian workers' movement, has created favourable objective conditions for the development of the Austrian C.P. However, in order to exploit these conditions the Austrian C.P. should have freed itself from the very strong social democratic vestiges which still remain in it. With the active intervention of the Comintern this process of "bolshevising" the Austrian C.P. has been proceeding for the last eighteen months under great difficulties and accompanied with internal friction. Owing to this fact after the

July rising the Party's influence among the masses did not at first increase, but rather declined, and that at a time when the Austrian social democratic party succeeded in enlarging its membership at the expense of the petty bourgeoisie, who had recovered from their fright.

The Executive of the Comintern passed a resolution on the July, 1927 rising immediately after its occurrence, noting in that resolution that the Central Committee of the Austrian C.P. had in the main taken up a sound position during the July days, in so far as it had regarded the July offensive of the Austrian proletariat as a genuine rising and in so far as it had at that moment raised the slogan of the overthrow of the Seipel government and the formation of a workers' and peasants' government. At the same time the E.C.C.I. resolutions noted two serious errors committed by the Austrian C.P.: the first consisted in the fact that it had not at that moment put forward the slogan of a Soviet of workers' deputies and the slogan of the organisation of proletarian self-defence, on the lines of the German Red Front Fighters. The great error of the Austrian C.P. as the E.C.C.I. noted in its second resolution, consisted however in the fact that even after July 15th the Austrian C.P. did not expose the true character of the Austrian social democracy to the worker masses. From an inaccurate estimate of the Austrian social democrats arose a number of the errors committed by the Austrian C.P. after July 15th. For instance, the slogan of municipalisation of the police, which engendered the illusion that the social democrats can still be compelled to carry on a revolutionary struggle. A mistake was made when the C.P. did not put forward its own candidates at the elections at Wehring and Brück. A mistake was made in that the Party took the initiative in organising red front fighters only after great difficulty. A mistake was made in that the Party frequently interfered in the economic struggle of the proletariat only after great delay and in that struggle frequently followed at the tail of the trade union bureaucracy. This involved the absence of any independent policy irrespective of that of social democracy. In certain cases, in Obersteinmarkt for instance, the C.P. absolutely perverted the struggle against the

social democrats in the interests of a mistakenly understood united front against Fascism.

With these mistakes was associated an inaccurate view of the methods of transforming the Austrian C.P. into a mass party. The Comintern Executive pointed this out in its resolution on the Austrian problem adopted in February, 1928. In this resolution we read: "Whilst the political development, whilst the bankruptcy of Austro-Marxism as an ideology is quite clear and evident, none the less the development of the Austrian social democratic party's attitude to the Austrian working class has quite specific features and takes on a particular form.... The peculiarity of the situation consists in the fact that the process of radicalising the working class proceeds through organisational forms to a minimum degree. That was the state of affairs before July 15th, and that largely remains the state of affairs to-day. The radicalisation of the working class is being effected inside the social democratic party (in which the workers' trend towards a single political class organisation is expressed) and only to a very small extent is it being revealed in an influx to our Party. This explains why before July 15th our Party overlooked the entire process of radicalisation, until it came clearly to the surface in the July days. That explains the elemental character of the movement during the July days." "Owing to the fact that no split occurred in the Austrian social democratic party during the period of the greatest shocks to capitalism (the war and post-war days) the development of the Austrian Communist Party into a mass party is proceeding along a different road from that of other countries. It is unsound to presuppose that an extensive split may occur in the social democratic party of Austria such as occurred in other countries. It is true that the possibility of such a split is not entirely off the cards, but the view that without an extensive split in the Austrian social democratic party the Austrian C.P. cannot effect its transformation into a mass party is an extremely dangerous one and renders difficult the formation of an independent Austrian C.P., and in reality degrades the C.P. to the role of being a left wing of the social democratic party. It is no accident that those very

people who consider an extensive split in the Austrian social democracy a pre-requisite to the formation of a mass C.P. have almost entirely overlooked the process of radicalisation which was taken place inside the working class." In accordance with this peculiarity in the development of the Austrian working class movement, the resolution we have quoted recommends the Austrian C.P. not to wait for a split in Austrian social democracy or to associate the formation of a mass C.P. with this prospect, but to act everywhere absolutely independently, "clearly and definitely revealing its Communist features," endeavouring to get contact with the masses, placing itself at the head of the radically developing strata of the working class, and simultaneously organising a worker opposition inside the social democratic party.

In its September resolution on the Austrian problem the E.C.C.I. Presidium emphasised that the majority of the Central Committee of the Austrian C.P. had acknowledged the Party's errors and had taken up a sound position. In the same resolution the Presidium pointed out on the basis of experience that the weakening of the Austrian C.P. which occurred after July 15th was to be explained first and foremost not by objective causes, but by the previous errors and defects. "It is noteworthy that the Party has lost a large part of its influence and has been deprived of the greatest number of members in those very places where it has been weakest in drawing a line of demarcation between it and the social democracy and the trade union bureaucracy, and has least of all preserved its own character and independence of activity in relation to them." On the other hand, the resolution says: "The experience of work with the Red Front Fighters, in which the C.P. of Austria has succeeded in organisationally consolidating the social democratic workers, is worthy of the greatest attention. Only incessant energetic work in mass demonstrations in conditions where a sound political line is observed will provide the Party with the opportunity to break away from its present dangerous situation." In order to bring the Party to a more healthy condition the Presidium's September resolution proposed that before the congress the Party should carry on

an extensive internal Party discussion, drawing all the members into it.

The theses adopted by the enlarged Presidium of the Austrian C.P. Executive Committee against five dissentient votes shows that the majority of the C.C. have now taken up a basically sound position in agreement with all the preceding resolutions of the Comintern. The E.C.C.I.'s Open Letter to the Tenth Congress of the Austrian C.P. recognises this fact. At the same time, it says: "The basic causes of the failures of the C.P. of Austria consists in the fact that the Party was not in a state to carry out the necessary change in its tactics in regard to the social democratic party, or to oppose its own demands to the demands of the social democrats in all spheres of the day-to-day struggle. This in turn is explained by the fact that hitherto a right opportunist group has been working in the C.P. and no adequate and resolute ideological struggle has been carried on against it. Hitherto the Party and its leadership have maintained a highly tolerant attitude to the right wingers, and this could only hold up the development of the Party. An open discussion on the differences in principle with the right wing groups is indispensable, but it must not follow the line of the previous indefinite, personal internal Party attacks."

The Open Letter subjects the platform proposed by the right group of Schlamm and Scheinfelder to severe criticism, especially its exaggeration of the stabilisation of capitalism in Austria and its depreciation of the immediate danger of Fascism, which it regards "as a means of the bourgeoisie's bringing pressure to bear on the social democrats," not observing the decisive fact of social democracy's agreement with Fascism. The Open Letter declares that this platform persists in the errors of the right wingers already condemned again and again, and that it passes over in silence the schismatic activities of the right wingers (the Bandler adherents) in Germany. And the theses of the majority of the Central Committee adopted on December 6th also specify in detail, even in greater detail, the opportunist errors of the right wing, opposition inside the C.C. But it is not only a question of recognising the existence of opportunist errors, but of a resolute struggle

with the right wingers. The last "Open Letter" of the E.C.C.I. calls for such struggle. "In the realm of internal Party work, the Tenth Party Congress must carry on an extremely energetic struggle against the right wing danger and must with ruthless energy struggle to overcome any tolerant attitude towards that danger. It must draw a definite line of demarcation between the Party and the right wing group and must adopt the following measures to improve the Party life: (a) the re-elections of all Party organs after the congress (especially in the Viennese organisations) beginning with the nuclei; (b) the renewal of the Party cadres by the introduction of young revolutionary workers into them and their systematic preparation in the spirit of Leninism; (c) a re-animation of the nuclei and a transference of the central point of Party work to the production nuclei . . . ; (d) the improvement of the "Rote Fahne" and its transformation into a genuine organ of struggle."

BELGIUM

In order to prepare the Belgian C.P. for its congress, the Comintern Executive has addressed a letter to the political bureau of the Party. In this letter the Executive subjects the theses published by the Central Committee of the C.P. of Belgium to criticism. The E.C.C.I. letter points out that the Central Committee's theses only repeat the political theses of the Comintern Sixth Congress, and that not always with clarity, and it adds: "It would be very much better—and this is absolutely necessary—to connect up the analysis of the international situation with the analysis of the internal situation in Belgium, so as by the clearest examples from Belgium's economic and political life to show the exactness of the analysis of the international situation and of the role of social democracy given by the Sixth World Congress." After making good this deficiency the E.C.C.I. further says: "It is not without surprise that we notice that the congress agenda contains no special item devoted to the trade union problem." After giving instructions on this problem in the spirit of the decisions taken by the Fourth Congress of the Profintern and the Sixth Congress of the Comintern, the Open Letter notes

the errors which have been committed by the C.P. of Belgium in the trade union sphere: "The trade union report of the Brussels Federation should have been subjected to criticism owing to the fact of there being a number of impermissible formulas in it, in which formulas a complete policy in regard to trade union activity found expression which was in contradiction to the decisions of the Profintern Fourth Congress. . . . The central slogan put forward in this report was the conquest of the leading positions in the trade unions." This slogan by no means conveys the exact purport of our work in this realm. We must rather say: "The conquest of the masses of the trade unions, the expulsion of the reformist leaders who are betraying the interests of the proletariat. . . ." The same may be said of the more general slogan put forward in this report: "Despite all opposition to carry the struggle for the class approach into the heart of the trade union organisations." This slogan ought to be resolutely rejected. The trade unions which are members of the Central Commission of the Belgian Labour Party have nothing to preserve from the aspect of the class struggle; our task is to assist them to assimilate or to regain that line of class struggle, in dependence on the circumstances, which has long since been obliterated in them owing to the influence of the reformists."

The E.C.C.I. letter further declares: "We also consider it necessary that the congress agenda should include a special item devoted to the Flemish problem or at the least to a special report on that problem." The letter deals in detail with the C.P.'s tactics in regard to the national movement in Flanders, noting the opportunist errors committed in this sphere and laying down a sound policy for the Party. The letter reads: "The tactics of renouncing a Party candidate in favour of Worms was sound, as Worms was a candidate not of the Frontist party, but of the worker and peasant masses, for whom he was a symbol of the struggle for the liberation of Flanders from the Belgian State and the imperialist bourgeoisie. But the proposal made to the Frontist party to form a united front with them was a political error, as that party is a bourgeois party and in addition is bound up with the Belgian imperialist State,

which has no other aim in view than to draw the worker and peasant masses off the road of a revolutionary struggle and to drag them at the tail of capitalist, bourgeois hypocrisy, exploitation and oppression." At the end of its instructions on the national question the letter says: "Whilst affording the revolutionary movement of Flanders direct assistance in the task of forming a State independent of Belgium, the C.P. should at the same time incessantly affirm and explain that only a Soviet system is capable of realising a genuine equality of nations, by uniting the proletariat and toiling masses in the struggle against imperialism. And for this reason simultaneously with the slogan of self-determination even to the separation of Flanders from Belgium, it is necessary to put forward the slogans of a workers' and peasants' republic in Flanders, and a workers' and peasants' republic for the Walloons."

In its final clause the letter directs attention to the problem of the struggle against the war danger, and points out and lays down a sound policy in regard to the Trotskyist opposition on the one hand and the right wing danger on the other. Regarding the struggle against the Trotskyist opposition the letter says: "It does not follow at all that this struggle is to be neglected, even though it is of a secondary character; it is particularly necessary to expose the social democratic roots of this opposition, which in the trade union sphere has become an accomplice with the reformist trade union bureaucracy, and which whilst on the Flemish problem hiding itself behind radical phraseology has in reality co-operated with social democracy and the government." The letter takes a more serious view of the right wing danger in Belgium. "A cursory analysis of the errors committed by the Belgian C.P. of recent times convinces us that the right wing danger represents a very serious threat to the Party. In particular, on the questions of the trade union struggle and on organisational questions this danger threatens to stultify all the efforts of the Party, despite the growth of the latter's political influence among the worker masses."

Parallel with the foregoing letter the E.C.C.I. addressed a special letter on the peasant problem (the question of rental agreements) to the Central Committee of the Bel-

gian C.P., which letter took as its starting point the view that the vacillation in the Party policy in regard to the Flemish national problem is closely bound up with the fact that the Party is completely ignoring work among the peasantry, and that the resolution of the national Flemish problem is quite impossible without a resolution of the peasant problem in Flanders. In this supplementary letter, in connection with the bill on the peasant question which is to be considered in parliament, and owing to the technical impossibility of the C.P. introducing its own bill, the E.C.C.I. proposes first that a statement of principle should be read in Parliament covering an exposition of the basic features of the Party's Communist agrarian programme. Secondly, it should introduce its own amendments to the bill, dealing with the peasants' immediate partial demands, even though the deluded peasants declare themselves the enemies of the Communists. These amendments must be put forward as being in contradistinction to the position of the bourgeois parties and of the social democratic party. Whilst under present conditions supporting the principle of long-termed rental agreements, the C.P. should in accordance with the E.C.C.I. instructions at the same time insist on the "right of the small leasehold farmers to demand the right of re-consideration of the agreements in the event of a fall in the prices of agricultural products. This reconsideration should be carried out on the demand of the organisation of small-scale leaseholders."

Further, the amendments should demand that "the landowners should have no right to refuse to renew rental agreements, whenever that refusal is recognised as unjustifiable by the organisation of the small-scale leaseholders." Further, the amendments should prohibit all sub-letting. The amendments should demand that the extent of remuneration of the small-scale renters for improvements should be fixed by their own organisation. Then the amendments should demand the establishment of a minimum harvest in kind or in currency which should be guaranteed to the small-scale renters for the maintenance of their and their families' existence. Further amendments should demand loans not bearing interest from the landowners to the small-scale renters to enable them to carry on

their husbandries and should demand the establishment of a genuinely progressive tax by the State together with the complete elimination of taxation of the peasant poor. These partial demands, which are drawn up with a view to drawing the peasant masses away from the bourgeoisie and their attraction to the side of the working class, are by the E.C.C.I. associated with the programme demands which have to be formulated in the declaration (the confiscation of large landed estates and the uncompensated transference of the land to the agricultural labourers, the landless peasantry and the petty farmers) : with demands which can never be realised by a bourgeois parliament, but can be realised only by a victorious proletarian revolution.

AMERICA

The last letter addressed by the E.C.C.I. to a forthcoming congress is the "Open Letter to the congress of the American Workers' (Communist) Party." This letter declares that the Sixth Congress of the American C.P. "marks an exceptionally important stage in the process of change through which the Party is passing at the present time." The Party is only just beginning to be transformed from a propagandist organisation into a party of political action," it is "only taking the first steps along the new road," whilst meantime "there is an accelerating development of conditions which are confronting the Workers' Communist Party of the United States with enormous tasks, with the necessity of being at the centre of gigantic mass conflicts." "American imperialism is striving to occupy a monopolist position in world economy and politics, and is being drawn more and more into the universal crisis of capitalism, is more and more being subjected to the influence of the growing instability of world capitalism. The striving towards hegemony in world politics is on the one hand driving American capitalism into a ruthless capitalist rationalisation, throwing a considerable section of the proletariat out of production, so leading to an extreme intensification of labour without corresponding compensations, to a colossal growth of unemployment (three to four millions) and to a general worsening of the situation of the working class. On the other

hand it is compelling frenzied jumps in armaments, which impose fresh enormous sacrifices on the toiling masses. All this, plus the threat of serious war miseries, is creating a feeling of insecurity, of uncertainty in the proletariat. And this soil is engendering the growth of a leftward trend in the masses of the American proletariat, a growth in its activity, and of a struggle for defence, which in places is passing into a striving towards attack."

The American C.P. thus stands confronted with a prospect of "great class conflicts," for which it is "still inadequately prepared." In order to achieve the mastery of the situation it must "as quickly as possible become a mass political party of the United States working class. The chief obstacle to this is the character of the Party, which down to the present consists of immigrant elements, in consequence of which the Party is out of contact with the vast masses of the American proletariat. And in association with this factor, is the six-years' factional struggle between two groups for dominance in the Party. The "Open Letter" emphasises this: the factional struggle is based on the fact that for many years the Party has been an "organisation of foreign worker Communists having little connection with the political life of the country," and is very largely a little group of immigrants. This struggle has been preponderantly one "not based on principle, and in consequence it has not conduced to the outliving of the errors, chiefly right wing errors, of which both majority and minority have been guilty. The error common to both factions consists "in an unsound conception of the character of the connections between American and world economy, and an under-estimation of the growing attraction of American imperialism into the swiftly developing general crisis of capitalism. Both parties have a tendency to regard American imperialism as isolated from world capitalism, as independent of it and as developing according to its own laws." In this connection both majority and minority have committed one other (right wing) mistake: "An utter depreciation of the leftward trend of the working masses in other capitalist countries. In the theses of neither group is there any attempt either at an estimate, or even at a simple understanding of such im-

portant facts as the strike at Lodz and the Ruhr lock-out." From this inability to understand the close connections between American economy and the general crisis arises the tendency of the majority to over-estimate the economic might and the enormous growth of technique in the U.S.A., "which it compares to 'a second industrial revolution.' The majority do not see that with this growth in technique and in capitalist rationalisation is bound up an enormous over-strain of labour, a swift exhaustion of the worker and his earlier elimination from production. For the same reason the majority has a tendency to under-estimate the leftward trend and the process of differentiation which is taking place in the ranks of the working class." And from the same lack of understanding of the close connection between American economy and the general crisis of capitalism arises the tendency of the majority to "a great exaggeration of the role of American capitalism in the stabilisation of Europe." The majority does not see that "the swift development of American capitalism will not save either the United States or any other capitalist States from the crisis, but on the contrary will intensify the general crisis of capitalism." All these have undoubtedly to be regarded as "right wing errors," "distorting the revolutionary prospects bound up with the third period in the decisions of the Sixth Congress." Inasmuch as the majority are committing right wing errors, in their theses they "do not draw a clear line of demarcation between the openly right wing opportunist deviation and Trotskyism which represents an opportunism hidden behind left wing phraseology."

Through their lack of understanding of the close connection between American economy and the general crisis in capitalism the minority come to other conclusions from those of the majority. The minority regard "the forthcoming crisis of American capitalism as evoked exclusively by its internal antagonisms." In contradistinction from the majority the minority "over-estimate the degree of the leftward trend in the American working class at the present time, seeing in the fact that part of the workers voted for Smith at the presidential election, a demonstration of a leftward movement in the proletariat, which is absolutely unsound." In contradistinction

from the majority, the minority "not only under-estimate the Trotskyist danger, but in their theses make no mention of the fact that even openly right wing elements (such as Sulkanen ad Askeli) who have nothing in common with left wing phraseology, have entered the Cannon group, and that the Cannon group is forming a bloc with Lore and Eastman, and further remarks that Cannon has taken with him workers out of the Party, which has the objective result of giving weight to the Cannon group and of weakening the struggle against American Trotskyism."

In making such an estimate of the errors of the majority and of the minority, the E.C.C.I. Open Letter refuses to associate itself wholly with either the one or the other faction, and in accordance with previous Comintern decisions it demands a complete cessation of the factional struggle inside the American C.P. as it is a struggle which has an insufficient basis in principle. The Open Letter considers the chief task of this Party to be its transformation into a mass party and indicates how this task can be achieved: "The Party can become a mass workers' party only provided that, whilst maintaining its basis of support in the revolutionary worker emigrants, it extends its basis, setting up its chief basic points in the ranks of the thoroughly American workers, especially those in the strategic spheres of industry, and also among the negro proletarians. . . . The four basic conditions indispensable at the present time to ensure that the Party should resolutely take the road leading to its transformation into a mass Communist Workers' Party in the U.S.A. are: (1) The achievement of a correct estimation of prospects in the analysis of the general crisis of capitalism and of American imperialism as a part of that capitalism; (2) making the everyday interests of the working class of the U.S.A. and especially the demand for a seven-hour day and for all forms of social insurance at the cost of the employer and the State the central feature of the Party's work; (3) the transference of the Party from emigrant exclusiveness and placing it on a broad basis of thoroughly American workers, in so doing giving the necessary attention to work among the negroes; (4) the eradication of factionalism and the attraction of workers into the leadership."

Are there any chances that the American C.P. will be able to fulfil these tasks and "within a brief historical period effect its transformation into a mass party"? Judging by the first steps already taken in this direction one can give an affirmative answer to this question: "Since the last congress in 1927, the Party has acted more and more as a steadfast leader of the proletariat's mass demonstrations, and is extending its influence with the thoroughly American workers. The strike of the furriers and tailors, the coal-miners' strike, the textile-workers' strike in New Bedford and Fall River, and also that of the workers in the silk industry in Paterson, New Jersey—in all these the Workers' Communist Party has for the first time appeared in the role of a party of political action, capable of connecting up the economic life of the proletariat with its political aims."

Such are the instructions given in the Comintern's Open Letters to the forthcoming congresses of various Communist Parties. In these letters the Comintern ruthlessly exposes

the errors of those parties, and their right wing errors first and foremost, these being predominant at the present stage of their development. The errors and the weaknesses of the Communist Parties have always come strongly into evidence during a transitional period in which the movement has to accomplish a change-over to a new, higher stage. We are passing through such a period at the present time. Anyone who knows the history of the oldest and at the same time the strongest of the Communist Parties, the C.P.S.U., knows that at every sharp change in its course vacillations and crises have arisen in its ranks. But the Bolshevik Party grew and became strong in the struggle with those errors and vacillations and in living through these internal Party crises, until it became a party capable of conquering political power and of maintaining its hold on that power for a decade, continually strengthening its position the while. The other sections of the Comintern will traverse the same road and will achieve the same result.

The Last Session of the League Against Imperialism

THE last session of the enlarged Executive Committee of the League against Imperialism, held on January 15th and 16th, marks a further stage in its development. The League has now entered on the stage of gathering and uniting all the active forces for the genuine struggle against imperialism and national oppression. This session was in the nature of a preliminary conference for the congress to be held this year. In addition to the members of the Executive, the Secretariat and the General Council of the League, representatives of the various national-revolutionary and workers' and trade union organisations, also participated in the session. For the first time in the League's existence delegations from the Profintern, the General Council of Soviet Trade Unions, and other revolutionary trade union organisations took part in the session. Their participation and the interventions of their representatives introduced a fresh current and will undoubtedly entail an increase in the importance and the vitality of the League. This circumstance was taken into account and correctly evaluated by the leaders of the League themselves. "The Executive Committee considers the collective adherence of the Russian trade unions to the League against Imperialism as a step of decisive importance to the development of the anti-imperialist movement on a world scale," says the session's address of welcome to the Russian delegation. The Executive Committee notes with satisfaction "that the adherence of the Russian trade unions has coincided with the adherence of the Furnishing Trades Association of Great Britain, and of a number of trade unions of India, South Africa and Latin America, and it expresses the hope that all trade unions, both in imperialist and in colonial and semi-colonial countries will shortly follow their example."

ABSENTEES

But a number of organisations and persons formerly actively participating in the work of the League were absent on this occasion. And this was no accident. The League against

Imperialism is a conglomeration of the most varied tendencies and groups, from petty bourgeois, national-revolutionary organisations and certain "left-socialist" groups to Communists inclusive. The League received the especially strong sympathy of the petty-bourgeois nationalist and "left-socialist" groups during the period when the Cantonese army was triumphantly marching from Canton to Shanghai, when the Chinese revolution still had a "general national" character. But when, under the influence of the fire of the agrarian revolution, the Kuomintangites passed over to the counter-revolutionary camp, when with the connivance of the Second International and the social democratic parties, and the aid of the old and new Chinese militarists, the imperialists succeeded in suppressing the workers' and peasants' movement, that sympathy swiftly died away.

At the Brussels Congress of the League against Imperialism in 1927, Lansbury, of the British Labour Party, and Marrot, a social democratic deputy of Belgium, both had seats in the Presidium. Not only the Viennese "Arbeiter Zeitung," but also the central organ of the Belgian social democrats, "Le Peuple," regarded themselves as bound to remark on the League congress in favourable tones. But when the Chinese national bourgeoisie turned their weapons against the revolution, when it became clear that the Chinese revolution was taking on the character of an agrarian revolution, and when on the other hand anti-imperialist organisations giving support to a genuinely revolutionary movement began to develop in other countries, the Bureau of the Second International with Friedrich Adler at their head began a slanderous campaign against the League against Imperialism, representing its activities as a purely Communist device, as a "manoeuvre of the Comintern," and so on. In the autumn of 1926 the Executive Committee of the Second International called upon all social democratic parties to cut off all relations with the League. Under this pressure the Dutch social democratic group ceased its activity in the Dutch section of the League in

the autumn. The chairman of the League himself, Lansbury, was one of the first to drop out of its ranks, and humbly submitted to the decree of the Second International.

WORK WITH REFORMISTS

Of course, at a certain stage the petty bourgeois nationalist groups and certain "left socialist" elements may be in opposition to imperialism, but one must not ignore the fact that they are not capable, nor are they desirous of carrying on a consequential revolutionary struggle against imperialism. Joint participation with them in the League against Imperialism may be expedient. But this co-operation must proceed on the basis of a definite, concrete program, and, of course, in no circumstances may it be carried on at the cost of concession of principle on the part of the revolutionary wing, or at the cost of its renunciation of the right of free criticism of their inchoate and indefinite position. This was indicated in the speech of the representative of the Soviet Trade Union delegation, who rightly pointed to the fact that the Soviet trade unions cannot abrogate their right to free criticism and for their part will prohibit no one from subjecting the policy and activity of the Soviet trade union movement to criticism. It is quite obvious that it would be profoundly unsound to renounce the right and the possibility of criticising Maxton, Cook, Fimmen and their political followers for their half-heartedness, for their failure to conduct an energetic and open struggle against British and Dutch imperialism. In exactly the same way it would be impossible to justify the renunciation of criticism of inactivity in regard to the struggle against war preparations and attacks on the U.S.S.R., made by the International Federation of Transport Workers and its responsible leaders. The struggle against the danger of further slaughter must be based on a concrete program of action, and must not be restricted merely to bare demonstrative declarations. More than that, it must be strengthened by a definite, positive activity directed to the practical realisation of the proclaimed principles and slogans. The adherents of the League must get their parliamentary representative to declare against the imperialist policy of their bourgeois governments,

must obtain their vote against war credits, and the recall of naval and military forces from the colonies. The adherents of the League must at the same time provide moral and material support to the economic struggle of the workers' and peasants' movement in the colonies. This necessity of supporting the workers' and peasants' movement in the colonies found expression in the resolution adopted on Cook's report.

The disagreements which have been revealed must by no means be stifled, or concealed for the sake of achieving a "unanimous" decision, but must be disclosed and subjected to wide discussion. It is to the point to mention that the League against Imperialism is one of the organisations where the most varied anti-imperialist groups can co-operate, where free discussion is possible. Of course, as comrade Münzenburg correctly remarked in his speech, the League is not a Communist organisation. Together with all the honest forces permeated with a sincere desire for the emancipation of the colonial and semi-colonial peoples from imperialist oppression and for the struggle to annihilate imperialism universally, the League unites elements only partially ready to support that struggle.

REFORMISM AND IMPERIALISM

World reformism is the finest bulwark of imperialism. Undoubtedly the Second and Amsterdam Internationals fulfil the role of agents of imperialism among the working class and the workers' movement generally. By political class co-operation they disintegrate the workers' movement from within, weaken its fighting powers, break up the united ranks of the proletariat, strive to subject the interests of the proletariat to the interests of the bourgeoisie. They vote war credits to their imperialist governments, introduce imperialist bourgeois ideology into the mass consciousness, raise the slogan of defence of the bourgeois fatherland, concealing their solidarity with and support of the imperialist policy of their governments in the colonies under "socialist" phraseology. The French reformists supported their government during its war in Morocco, the British Labour Party supported and continues to support the Conservative government's policy in China, India

and Egypt, the German social democrats openly act in concert with their bourgeoisie in support of the construction of cruisers, despite the indignant protests of the masses of toilers. The American Federation of Labour is the direct channel for the imperialist policies of the American bourgeoisie in the countries of Latin America, giving its support to the introduction of United States capital into those countries, as Professor Goldschmidt very eloquently related in his report. The Japanese reformists are striving to create a Pan-Asiatic International with the aim of bringing Japanese imperialist influence to bear on the eastern countries by its means. This fact has to be stated, and the activities of international reformism have ruthlessly to be exposed. However, these questions found no expression in the main report of the session: the report given by Cook. Cook endeavoured to represent the leaders of the General Council as wandering sheep, as people who did not understand what they were doing. Of course, such a qualification of the line of conduct of the reformist leaders is radically incorrect. And it was quite natural that this estimate of the reformists' policy and all Cook's opportunist argumentation met with severe criticism from the representatives of the revolutionary wing. Despite the fact that the League adopted the resolution on Cook's report unanimously, the discussion clearly revealed the difference in views as to the role and attitude of the reformists to the anti-imperialist movement. Cook and his adherents find that the reformists adopt a negative attitude to the genuine struggle against imperialism only because they do not understand the situation. The representatives of the revolutionary wing proved beyond all shadow of doubt that the social democrats have long since become active agents of imperialism, and that they are quite consciously aiding imperialism in its policy of exploiting the colonies. The unanimous acceptance of the resolution by no means indicates that success was achieved in obtaining a unity of views on the aims and the methods of the anti-imperialist activity of the trade unions and the latter's tasks. One thing was established beyond all doubt; namely, that the role of the organised working class in the struggle against imperialism is becoming steadily more considerable, not only in

imperialist countries, but also in the colonies and semi-colonies. Even when they attach themselves to the anti-imperialist front the bourgeois democratic nationalist groups in colonial countries are far from dependable participants in the struggle. The struggle against imperialism is being put more and more on the shoulders of the toiling masses of the colonies. Consequently the Executive Committee of the League took up a sound position in the resolution adopted, in emphasising that the workers' organisations in the colonies can only fulfil the task of leaders of the struggle against imperialism if they carry out a strict class policy and are completely independent of the national democratic parties.

INDIA AND THE EAST

Recent events in India, and the decisions of the Indian Congress dictated the necessity of the session occupying itself with the situation in India, and on this subject it received a report from Saklatvala. The Indian Congress decision amounting to a rejection of the slogan of absolute independence, and an attempt at a compromise between the bourgeois elements of the national emancipation movement and British imperialism, undoubtedly constitutes an event of great significance, and one which is fraught with political consequences of no small importance. This decision once more witnesses to the vacillations and hesitations of the petty bourgeoisie nationalists and to the beginning of their retreat from a consequential struggle against imperialism. Saklatvala quite accurately qualified the Indian Congress decisions as a step backward, and in his report pointed to the necessity of consolidating the forces of the national revolutionary movement for a further struggle for India's complete independence and against imperialism.

At the same time he remarked, not without justification, that the anti-imperialist movement in India must create a mass basis for itself, must build up on the workers and peasants, and that this is a pre-requisite to any further successful struggle against imperialism and for the independence of the colonies.

The Chinese problem was not on the agenda, but none the less on Cook's report the representative of the All-China Federation of

Labour succeeded in giving a survey of the problem of the Chinese revolution and the struggle against imperialism, in exposing the imperialist policy of the large bourgeois States: Britain, the United States and Japan, and in disclosing the role both of the right and of the "left" Kuomintang. He gave a clear characterisation of the role of the so-called "third party," which is still hoping to find a common language and contact with the official leadership of the Kuomintang, and is still living on the illusion that it is possible to re-organise the Kuomintang, to thrust it leftward, to give its activity a fresh, more radical content.

As we know, at the Brussels Congress of the League against Imperialism, the Kuomintang was represented by a large delegation. At that time it was seeking for a basis and support in the national revolutionary groups of workers and trade union organisations in their struggle against the imperialists and in defence of the Chinese revolution. An imposing manifestation of solidarity with the Indian national emancipation movement was effected at the congress. It was decided to form a special committee jointly with the Indians for active support to the Chinese revolution. At a time when all the abuse was being hurled at China, all the sympathies of the oppressed peoples and races were on the side of the toilers of China. At that time speeches were sharper, and the demonstrations of the Indian Swarajists against British imperialism were more definite. Only the Second and the Amsterdam Internationals occupied an openly hostile position in regard to the Chinese workers' movement, refusing to afford it any active assistance, and declaring itself against the sending of a special delegation to China. Since then times have changed. The workers' and peasants' movement has been temporarily suppressed by the Kuomintang with the aid of foreign imperialists. The Kuomintang has been transformed into a party of counter-revolution and an instrument of imperialism. Thousands of revolutionary workers and peasants have been executed, the revolutionary movement has been driven underground. The Kuomintang has turned its back on the League and has taken up a highly hostile attitude towards it. And now accordingly the attitude of the reformist leaders to the Kuomintang has

changed so much that they have decided to send a delegation to China. Now that the workers' movement is driven underground, now that yellow and Fascist unions have been formed with the aid of the Kuomintang government, now that thousands of the finest militants have been tortured and executed, the Second and the Amsterdam Internationals have at last developed an interest in China, and are taking active steps to draw the Chinese workers into their maw. The preparatory work to this end has been undertaken by Albert Thomas, Chairman of the League of Nations International Labour Office.

TASKS FOR THE LEAGUE

Only in the U.S.S.R., the first republic of labour and the brotherly alliance of peoples in the world, have the toilers and the oppressed peoples and races a faithful and dependable ally. The revolutionary role of the U.S.S.R., which by the one fact of its very existence is a living example and challenge to struggle for national independence against imperialism, is clearly understood by the imperialists. Evoking as it does the warmest feelings of sympathy and solidarity from the toilers and oppressed peoples of the whole world, the U.S.S.R. concentrates on itself all the power of class hatred and hostility of which its class enemies are capable, and provokes unceasing attempts to strangle the U.S.S.R.—the fatherland of the world proletariat. In this hostile policy an active part is played by the reformist agents of imperialism, the leaders of the Second and the Amsterdam Internationals, who ardently spread the legend of "Red imperialism," striving by so doing to arouse a feeling of alienation from and hostility to the U.S.S.R. in the proletariat, and to weaken its sympathy for the U.S.S.R. and its readiness to come to its defence against the imperialists in the event of an attack being made on it. The first duty of the League is an energetic defence of the U.S.S.R. against the imperialists' concupiscence and against the reformist agents' preparation of the masses for the forthcoming war. The League expressed its attitude to the U.S.S.R. and to the preparations now being made for an attack on it in the address to the Soviet delegation on its first participation in the sessions of the League.

"In the delegates of the Russian Trade Unions," reads this document, "the executive committee simultaneously welcomes the representatives of the Soviet Union, which by the fact of its existence and the development of its economy and cultural level is filling the peoples still under oppression with faith and hope for their own emancipation from imperialist and capitalist slavery. The Executive Committee avails itself of the adherence of the Russian trade unions to direct the attention of all the organisations and the friends of the League to the continually increasing danger of war on the Soviet Union, and calls on them, out of solidarity with the Soviet Union, and in the interests of the mighty development of the anti-imperialist movement, to put every obstacle in the way of preparations for war against the Soviet Union. In the Soviet Union the League against Imperialism sees the strongest guarantee for the achievement of victory in its own anti-imperialist struggle."

In the struggle against imperialism and the war danger, the League can undoubtedly play its role, but this is conditioned by the necessity for first and foremost increasing the influence of the organised proletariat within the League, for drawing into its ranks more and more of the mass workers', trade union, and then the peasants' and national revolutionary organisations. Not one of those participating in the League can be or ought to be a passive member, sharing in its program but for one reason or another holding back from active service, from open and public demonstrations. At the present time the League unites not only organisations and groups, but also a number of prominent social publicists. None the less the basic method of working should consist in the attraction of mass organisations. The

entire policy of the League should be based on such organisations, and not on this, that or the other very prominent and popular personage's attitude to this or that question. Only such a principle will ensure the League development and success in its activities.

The League should concern itself primarily with the strengthening of its bases in the various countries. In this regard the League is right in expecting great activity from its British friends and should work for the formation of a solid and militant organisation in Britain. The same has to be said of France, concerning which the session adopted a special resolution to this effect. The next congress is to be called in July, but a number of circumstances indicate the expediency of postponing the congress and holding it not earlier than November or December. As is well known the Latin-American Congress of Trade Unions is to be held in May, and the Pacific Ocean conference in August, and during the summer a negro congress is to be called also. The League should set itself the task of drawing these great organisations into its ranks and should afford them the possibility of preparing to send an authoritative delegation to the congress, and to this end should carry on work for the explanation of aims and tasks of the League. One may expect that the League Presidium will take all these circumstances into account and will early decide on postponing its congress with a view to allowing of more general preparation for it and to ensuring delegations from the above-mentioned organisations. Only in that case will the forthcoming congress be a genuinely powerful demonstration of the forces of the anti-imperialist movement and mark a serious stage on the road to the further consolidation and development of the League.

Trust Socialism

The Trustification of German Social Democracy

By M. Leonid

I.

THE policy of German finance capital shows two stages of development. The first stage which has, in essentials, come to an end, was the centralisation of the great industries producing means of production and of the mobile bank capital under the command of the greatest monopolist clique—the Ruhr trust, the chemical trust and the bank trust.

In the second stage which is now proceeding, finance capital is trying to draw under its sway the capitalists who have up to the present been "outsiders"—manufacturing industry and agricultural capital. An equally important aspect of this second period is the direct connection between finance capital and the leadership of the social democracy and the trade unions. In its anxiety to obtain complete monopoly, to obtain economic and political absolutism, German finance capital is not only tearing down the last barriers which once separated it from the manufacturers and large landowners, it is going further, beyond the boundaries of capitalism itself, and entering the "buffer State" of reformism. Those who were formerly the irregular troops and allies of the general staff of finance capital, have now come in on full pay.

This capitalist advance of German reformism is expressed in the general political adherence to ruling finance capital, in the great coalitions, the active co-operation of social democrats in the organisation of the new German imperialism (armoured cruisers, colonial policy, anti-Soviet front) and in their open support of the employers in wage struggles (Severing in the Ruhr dispute). This is accompanied by structural changes in reformist machinery brought about because of its permeation by finance capital. This is done not merely by the direct financing of the S.D.P. and trade union machine, not merely by individual reformist

leaders taking up positions in capitalist undertakings, but by the establishment of capitalist organisations (labour banks) within the reformist apparatus itself, by a unity of interests between these organisations and finance capital and finally by the concealed positions of these organisations as leading reformist bodies. In other words, no longer is the connection between finance capital and reformism established merely by theoretical treachery in Party principles and the personal treachery of individual leaders; it is established by a purely capitalist apparatus. Formerly certain social bonds attached the labour aristocracy of reformism to the bourgeoisie, but to-day solid bridges have been built between the social democratic party and finance capital. We repeat—finance capital, because in the former period it was usually the "outsiders," more or less loyally opposing finance capital as embodied in Ruhr finance, which were the allies of the S.D.P. The labour aristocracy gravitated towards the petty bourgeoisie, the Weimar "left coalition" expressed the alliance between the S.D.P. and manufacturing industry, trading capital, etc., and the personal and financial connections of the S.D.P. also led to this group. To-day, finance capital has everywhere taken its place as the business ally of the S.D.P. The Labour banks, supported by the Labour aristocracy, are associated with trust capital. The great coalition is an alliance between the S.D.P. and heavy industry (the German People's Party and the Centre). The trusts have even relieved the liberal individual capitalists of their function as contributors to the reformist machine and the reformist leaders.

This movement of the S.D.P. from the periphery to the centre of German capitalism, monopolist finance capital, the S.D.P.'s path to trust socialism, will be dealt with later on. While the theoretical and practical develop-

ment of the S.D.P. in this direction is quite obvious, and needs no illustration, the facts which reflect the same tendency in direct connection between the S.D.P. and capital, are less known, but not less significant.

II.

The first post-war period in Germany, which preceded that of the relative stabilisation of capitalism, and the establishment of a monopolist financial centre, witnessed the S.D.P.—in Parliament, in the Government, in the street and behind the scenes—working together with two capitalist groups which could be called the “anti-Stinnes wing” of German capitalism.

At that time the S.D.P. formed alliances with

1. The “finishing” industries (Rathenau group);
2. The young “outsider” concerns clamouring for protection (Barmatism).

1. The political trade mark of this combination of interests was the “Weimar coalition” or “left bloc.” Its standard bearer was Rathenau, the electrical manufacturer. Rathenau came forward as representing manufacturing industry and as such he organised the political defence against the attacks of heavy industry. This was the real meaning of the Weimar coalition. Strong in the monopoly of raw materials, coal and iron, in the higher rates of profits earned by heavy industry, particularly favoured by inflation and by the credit and subsidy policy of the State, Ruhr capital, led by Stinnes, attacked the manufacturers of the finishing industries, weaker both in finances and organisation, and one by one gained possession of their concerns. Stinnes’ anxiety to found the “vertical trust,” that is, to unite in one profit-making concern the whole production process from raw material to finished commodity, and to isolate independent manufacturers; his success, as in incorporating the important Siemens work, and his attempts to buy up other works such as the A.E.G.—all this shook the very foundations of the old independent manufacturing industry, and compelled it to defend itself against Stinnes’ capital. The defence was not confined to manufacturers. Almost all the banks (with the exception of Gold-

schmidt’s) were included. For Stinnes’ real object was the triumph of finance capital under his own leadership, avoiding the banks, or even fighting them. Because of inflation, the banks’ fluid capital became worthless paper. The same inflation assured to Stinnes real fluid capital—in the form of wage reductions through depreciation of currency, of accumulation of gold by exporting goods at a very low price. The capital which had once been invested with the banks by the people generally—savings and small deposits, and reinvested in industry, now, in the processes of inflation wages or cancelled bank credits, reached the monopolist Stinnes, and was used by him to buy up the banking machine at very low cost. The danger which this threatened to the manufacturers and banks was very great, and continued until Stinnes controlled the State machine and could therefore handle the question of inflation at his own pleasure. With this stage, the competitive struggle between heavy industry and the banks changed into a political struggle for State power.* Stinnes controlled the “right,” from the nationalists to the right democrats. Rathenau mobilised the left. Stinnes was in favour of a “bourgeois bloc,” Rathenau preached the “gospel of Wiemar.” Stinnes began to organise Fascists, Rathenau called on the S.D.P.

Long before this the S.D.P. had already chosen its course as between the proletariat and the bourgeoisie. It was with the capitalists against the working class.

But within the limits of that capitalist attitude, there was a choice still left as between the different capitalist groups. And the S.D.P. chose alliance with the manufacturers and bankers, it chose the “Weimar coalition,” the “left bloc,” less from theoretical reasons (as the traditional friendship between reformism and liberalism) than for practical reasons. Since it would be extremely diffi-

* The diary of Lord d’Abernon, at that time British Ambassador in Berlin, throws a clear light on this question. He says: “Stinnes said to Rathenau, ‘You and I, as large industrialists, are too powerful to take office. Will you promise me that you will refuse any official post if it is offered to you? I am ready to give you the same promise.’ But Rathenau rejected this proposal.” (Re-translated from the German.)

cult for the social democratic masses to understand the leap from Marx to Stinnes, the best plan would consequently be only a slight and not very obvious connection with the liberal bourgeoisie. But Stinnes was too much of a danger to the S.D.P. and the trade union bureaucracy. He couldn't understand a joke. He would enter into a coalition with nobody, for he wanted no partner, but only subordinates, and similarly he wanted his "own" working class movement, national alliances on the American-Italian model, and—worst of all—he was already establishing his own machinery for that purpose, without worrying in the least about the honourable greybeards in the S.D.P. offices. He financed the yellow trade unions, enrolled in his service social democratic renegades like Leusch, he set up "labour lieutenants" from the ranks of the labour aristocracy in all his concerns, and supported the greatest rival of reformism, the "National Socialist Workers' Movement" of the Fascists. It is true that Stinnes named one of his ships "Legien," after the leader of the trade union bureaucracy. It is true that he had nothing against helping the treacherous work of the S.D.P.—and he did so whenever the opportunity occurred.* But the payment which Stinnes offered was very low—the prospects of the S.D.P. bureaucracy in his service were too bad—he wanted his own bureaucracy. On the other hand, the other capitalist group around Rathenau offered excellent prospects to the reformist leaders—a maximum number of cabinet and administrative posts, relative security against opposition in the working class movement, the common belief in bourgeois democracy and a united "opposition," the tradition of a "free trade bloc," etc. To the social democratic masses, all these factors made such an alliance seem infinitely preferable to any coalition with the detested Stinnes. In addition to all this, Rathenau—and the capitalists he represented—offered the reformist leaders money and positions in their concerns.

There has always been among capitalists a certain "humanist" type "sympathising" with the reformists and occasionally helping them. These "idealist" capitalists were

nearly always drawn from the ranks of the small manufacturers, bankers and speculators. As long as this was confined to sporadic individual cases and had not become a system, the matter had no political significance. For example, Hugo Simon, one of the wealthiest Berlin bankers, was well known as a financial supporter of the independent social democrats; after the November revolution he was appointed Prussian Minister of Finance by the party. To-day Simon still plays the part—behind the scenes—of "host" to any unofficial clique of leaders or circle in the S.D.P. which controls the party machine. He is the active head of his banking establishment, Bett, Simon and Co., which carries on a great deal of business with manufacturing industry, particularly textiles, glass, bicycles, machines and similar concerns. Other banks are also connected, personally and financially, with the S.D.P., as the Schroeder Bank; but these connections only became a system—and a well organised system—after the Rathenau-S.D.P. alliance, and it was Rathenau's concern, the A.E.G., which became the centre of the illegal personal and financial bonds between manufacturing industry and the S.D.P. It is difficult to determine the actual amounts paid by the A.E.G. to the election expenses of the German Social Democratic Party; but it is a fact that the house of Deutch, the General Director of the A.E.G., was the seat of the Weimar Coalition. "Deutch's house was one of the few private houses visited by Ebert, the first German president. And he was accompanied by his Party colleagues Breitscheid, Hilferding and Löbe"—so wrote a reporter in the capitalist "Abendblatt" of 28-1-28. The fraction meetings of the "left bloc" took place under the patronage of the A.E.G. The government included the social democrats Bauer, Köster, Radbruch and Tollman, with Rathenau, proprietor of the A.E.G. as Foreign Minister, and Raumer, supervisor of the A.E.G. as Industrial Minister. Financial channels were also established through the banker Andreae, a brother-in-law of Rathenau and head of the Hardy banking establishment. This was again shown later, when Hardy declared his "most friendly attitude" towards the labour banks organised by the S.D.P. and trade unions (cf. "Berliner Tageblatt," 4-8-28). The example of the A.E.G.

* In 1920 the S.D.P. received 250,000 marks from Stinnes—through K. Erdmann—as an election contribution.

was followed by other manufacturers. They invited S.D.P. leaders to meetings of their supervisory committees. One of the leaders of the party and a former finance minister, Dr. Albert Südekum, sat on the committee of many companies during 1923, including the Novalk Automobile Works, the Badische Motor Locomotive Co., the Berlin Telephone Works. At the same time the social democrats, in the Cabinet, in the Reichstag, in the Committees and in the Administrative services, were fighting heroically for the rights of manufacturing industry. But they were fighting not only for the manufacturing industry.

III.

While the manufacturing industries had thus taken social democrats as partners, and thus made them, to a certain extent capitalists, a special capitalist section gradually became manifest within the S.D.P. itself. This arose out of the protection introduced by the social democrat government.

The great economic crisis experienced under the social democratic government in the first post-war period, gave excellent opportunities, like every other crisis, to a particular section of the capitalists, the speculators. The speculator profited by the shortage of food and commodities, the speculator profited from inflation by gambling on the exchange, the speculator wrung great profits out of the shortage of capital in the first period after stabilisation. But the State machine is the chief source for speculation profits in times of crisis. Every bourgeois government, in times of crisis, creates its own privileged group of speculators. These are the favoured capitalists to whom the government transfers the duties of buying food and supplying the needs of the Civil Service bureaucracy and the army, for whom it establishes an import monopoly and approves tax reductions, by whose agency the government creates money and to whom secret political information is given for business purposes, and at whose disposal the State's finances are placed. It is an unwritten law of "democracy" that every bourgeois government should give these concessions of State speculation to the business men of that government. And when the S.D.P. controlled these concessions in post-war Germany, a number of requests came from the party itself, from little

social democratic capitalists and speculators. This was the origin of Barmatism.

The best known of these capital-socialists were Barmat, Sklaez and Bosel. Barmat was originally a commercial assistant in the social democratic party machine—an indispensable part of reformist organisation. He rented rooms for meetings, carried through occasional business matters, advanced credit to party congresses, etc. He was, therefore, the very man to be nominated to the Banking Board of social democracy when that party was in control. In 1919, during the most frightful famine in Germany, the social democratic Industrial Minister, Schwarz, gave Barmat a virtual monopoly of Saxon food supplies. How much Barmat made out of it is unknown, but we know how much the Saxon State lost, and that was from 150 to 195 million marks. The food import business from Holland to Germany, destined mainly for State concerns and social democratic co-operatives, was the basis of Barmat's fortune which increased, on his own admission, by three million Dutch guldens. The protective measures introduced by the S.D. government allowed this fortune to grow still greater. Barmat obtained the monopoly for the import of vegetable oils and cheap clothing, and through the offices of the social democratic ministers Bauer, Gradnauer and Heilmann, he became the principal creditor of the Prussian State Bank (with a loan of 12 millions). After stabilisation, he received government credits of 12-14 millions, and objections were met with the reply "The financing of the Barmat concerns has the full approval of the Cabinet."

The national insurance for government employees gave Barmat 6 millions and provincial State banks about $7\frac{1}{2}$ million; the highest officials of the State Bank and Ministry of Finance—Dr. Hellwig, Director Kantz, etc.—openly entered Barmat's service, and the S.D.P. requested MacDonald to arrange credits for Barmat in the City. The social democratic Chancellor, Gustav Bauer, regularly gave him inside political information, and in short, the accumulation of the "socialist fortune" developed at great speed.

The S.D.P. bureaucracy shared in this fortune, both as a body and individually. A certain percentage of the Barmat profits had to be paid into the party funds. In December,

1924, 20,000 marks were contributed to the general election fund. Two provincial S.D.P. organisations received respectively 15,000 and 200,000 marks. Bauer received 10 per cent. for his services, and controlled many positions in the Barmat concerns. Heilmann, president of the S.D. Reichstag fraction, became general secretary of the Barmat concerns, Ebert's son was appointed "social adviser," Scheidemann's daughter married the brother of director Hellwig, etc. Some crumbs also fell to the share of the Second International. Barmat lent 380,000 florins to the Dutch "Vorward," and the other members of the "left bloc" got their share. Barmat gave a subsidy to the Catholic Centre Party and some of its leaders like Hoefel and Lange-Hegermann, took up positions in his business.

Barmat was the clearest embodiment of the new social democrat, but he was not the only one. A large number of speculators sunned themselves in the light of the S.D. government. These included the well known contributor to the party and Scheidemann's friend, Leon Sklarz, general director of many speculative undertakings, and famous for his financial exploitation of the Vienna Arsenal. Then the Austrian social democrat, Siegmund Bosel, at one time a small dealer, then speculator and financial advisor in the Austrian social democratic government, supporter of social democratic co-operatives and newspapers, owner of a fortune of 200 million Swiss francs, and at one time the greatest capitalist of his country, and rival of Stinnes. Bosel was given the same chance as Barmat, and given charge of supplies required for the Austrian police, and in doing this, according to Felix Pinner, the well known bourgeois economist, he "prevented the spread of the Communist movement from Budapest to Vienna." When necessary, Bosel was granted a loan of 80 million schillings from Post Office savings—and only 10 millions were paid back. But in place of the missing money, he financed the suppression of Communism, and saved the ministerial posts of his social democratic friends and his own fortune.

Social democratic capitalism grew so strong that at last it became a serious rival of the central capitalist forces. For the capital which Barmat accumulated out of his State credits and monopolies was used by him to build up

his own finance capitalist system. He lent the money at usurious rates to banks and industrial undertakings, and then exercised his right of distressment—it was the time of great shortage of capital, immediately after stabilisation—unmercifully. Thus there grew up one concern, made up of numerous iron works, machine foundries, paper, cotton and artificial silk factories, and banks, employing thousands of skilled, exploited workers, and having usually social democratic supervisory councils.

The Stinnes' group sounded the alarm—the systematic State subsidising of the Barmat concerns endangered their power and limited their own area for expansion. The new concerns generally provoked the jealousy of the old-established capitalists. Politically, the hostility between the old and the new concerns was exacerbated by the fact that the social democratic business men usually came from Jewish merchant circles, and, therefore, afforded the heavy industry party an excellent subject for agitation. Stinnes realised that Barmat could only be overthrown by political means. So long as the social democratic and centre Cabinet was in office, Barmat was unshakable. At the end of 1924 this Cabinet was defeated and replaced by a right coalition. At the same time judicial proceedings were started against the Barmat concern, and Julius Barmat was imprisoned. It has been proved that this attack on Barmat was made at the intigation of Stinnes, the representative of heavy industry.*

The large banks, which a few months later were incorporated with Stinnes' and had already drawn up plans for the organisation of the new German monopoly capitalism, dissociated themselves from Barmat and refused to support his business. A year later Bosel also fell. It was the triumph of "pure" finance capital. Social democratic capitalism was dead. Germany came under the dictatorship of Ruhr finance. The steel trust group and

* The facts against Barmat were collected by Tannenzapf, an agent of Stinnes, from Barmat's employees, who were in return promised good posts in Stinnes' concerns. Leopold, a Stinnes director, promised Kussman, Public Prosecutor, and other State officials, good posts if "anything happened to them." The S.D. "Vorwaerts" became hysterical over the affair.

J. Goldschmidt became the advocates of the new State capitalism. The other groups, voluntarily or under compulsion, declared their subjection. The chemical trust concluded a gentleman's agreement with the Ruhr trust. Manufacturing industry capitulated to raw materials. The A.E.G., Rathenau's old fortress, gave up the fight and took on half a dozen Ruhr plenipotentiaries. The shipping agencies of Hamburg and Bremen became the transport agents for heavy industry. The agricultural capitalists of Upper Silesia, Bavaria and east of the Elbe became a part of the Ruhr and Hugenberg bank system. The government consisted of Ruhr directors. Stresemann entrusted the secret funds of the Foreign Office to Goldschmidt, the Ruhr banker. The new German imperialism raised its standard.

German social democracy could not remain indifferent to this development. It could not, and did not wish, to remain outside. Finance capital called, and social democracy flew to answer.

By this time Reformism had grown ripe for such a change. It had fulfilled its historical post-war task of handing back the German State to the bourgeoisie, from the revolutionary workers of November. In the critical period of autumn, 1923, social democracy had entered into the great coalition with Ruhr capital, to achieve the same object. But, apart from this united front against the proletariat, the S.D.P. had not yet reached any more intimate relationship with heavy industry. Barmat's fall made it clear to the S.D. bureaucrats that they could not count on any "equality" or "community of interest" from heavy industry—the Ruhr needed no partner, but only disciplined subordinates, who would be well paid. Their old capitalist strongholds were weakened. Their one time colleagues, the manufacturers and bankers, were now in the opposing camp. The bourgeoisie was centralised. The reformist bureaucracy was threatened with isolation—from ministerial posts, and subsidies, from all the good things which a government can give to its participants. They were wholeheartedly opposed to the seven fat years giving way before the seven lean. Barmat and Rathenau were no longer there, there was only Jacob Goldschmidt, and, therefore, they turned to him.

At the same time centralised finance capital was being drawn more and more in the direction of the reformist bureaucracy. The capitalists again needed the S.D.P.—to hide their new attack on the German working class, the attack of "rationalisation." The new trust imperialism had to be built up—at the expense of the proletariat, and, therefore, traitors, spies and slave-drivers were needed in the proletarian camp. So the financiers approached the S.D. and trade union leaders. But even apart from the requirements of the rationalisation period, trust capital needed a constant, well organised system of "labour lieutenants," it needed the same sort of "labour movement" in Germany as Gompers had organised for the American trusts. In short, the centre of finance capital wanted a labour department.

In October, 1926, the offer was openly made: the speeches of Silverberg, the Ruhr magnate, and Duisberg, the chemical magnate, at the Ruhr Congress, contained the following declaration: "German social democracy must be drawn in as a responsible co-operator." German social democracy accepted this offer of a share in finance capital and looked round for an excuse.

Even in 1925 there had been, now and again, "trial contacts" between the S.D.P. and heavy industry. For example, in 1925 Karl Erdmann and Baumeister, both well-known members of the S.D.P., and Ebert's son, founded a publishing company—"Firn"—which began with a series of "socialist" writings for workers. These works, real bosses' literature, were warmly recommended in the General Trade Union Federation "Journal." Later it was established that the money to start the company had been given by the "Association of German Employers," and that it was quite usual for Erdmann to receive sums amounting to 100,000 marks from Borsig. Erdmann was officially expelled from the S.D.P., but the real owner of the publishing company, Baumeister, is still a paying member of that party.

At the same time other business socialists began to turn, inconspicuously but surely, to heavy industry and finance capital. Dr. Albert Südekum, a shareholder in an Upper Silesian steel works, voted for its amalgamation with the Upper Silesian steel trust, whose

shares were controlled by the Ruhr Steel Trust. The same Südekum also became president of the German Match Company, the German section of the Swedish world match monopoly, controlled by Kreuger. In this way the two leading capital groups of Europe, the Ruhr and Krueger, were "socialised" by a former social democratic Finance Minister.

Such cases have become usual in Germany as in America. A short time ago a president of the German Miners' Union, Waldhecker, became business manager of the East Elbe brown coal syndicate. But we are no longer concerned with such individual cases. The fusion of interests between the reformist bureaucracy and finance capital is taking place less through individual persons than through organisations, and capitalist organisations of reformism at that—the new banks.

For a long time the reformist leaders have had at their disposal three sources of income—the funds of the trade unions (and the sick funds), the funds of the social democratic party and the savings of the labour aristocracy. The trade union funds, the result of long accumulation which are very seldom used by the bureaucracy for industrial struggles, and then only to very small amounts, in some unions amount to many millions. The amount of the social democratic party funds is shown by the following figures from one of its own papers: the total incomes of S.D.P. concerns (newspapers, etc.) amount to 66,500,000 marks (of which about 30 per cent, comes from capitalist advertisements), capital amounts to 22,000,000 marks and 18,500 persons are employed. In addition there are the savings of the labour aristocracy and the better-paid social democratic employees, etc. The whole therefore is a very large sum, and since the S.D.P. is a reformist, and not a revolutionary, body, it decided on Hilferding's advice, to employ all this capital in finance.

A "bank for workers, employees and officials" was founded in which the deposits have been annually 9,000,000, 36,000,000, 76,000,000 and 114,000,000 marks. A hundred and fourteen million marks of proletarian money afford an excellent basis for the finance-capitalist work of the S.D.P. bureaucracy in the bank management—Hilferding, Leipart, Aufhäuser, etc. For this capital is not used,

as announced, on behalf of the working class—to finance working-class co-operatives or disputes, but merely for the purpose of profit-making (10 per cent. dividend each year) by means of financing private capital. The bank obtained a large number of industrial shares, and bought a majority of the shares of the Hanoverian Land Credit Bank; the bank shared in the acquisition—costing 27,000,000—of the Mühlen concern, rescued a bankrupt bicycle factory, financed the capitalist State by subscribing to a State loan—in short, the "labour bank" went full steam ahead for the capitalists, and, as Hilferding prophesied, expanded in the correct finance-capitalist manner.

Every new bank which, in the desire for profits is forced to expand its fluid capital—and even the labour bank is subject to the internal laws of finance capital—must sooner or later come into conflict with older finance capitalist groups, must either compete or fuse with them. The labour bank consciously chose the second alternative. Practically all its transactions were carried out in agreement with other banks. Five other banks were concerned in the Hanoverian Land Bank deal, including the most powerful private bank, Arnhold and E. Meyer. This financial community of interest between the labour bank and other banks necessarily led to organisational connections. And it is a fact that a short time ago the management of the labour bank was placed entirely in the hands of professional bankers. This reorganisation took place under the ægis of the greatest leader of German finance capital, the Ruhr banker, Jacob Goldschmidt.

Since the beginning of the S.D.P.'s orientation to heavy industry, Goldschmidt has had financial connections with the party apparatus. In 1926 "Vorwaerts" received credit of 800,000 marks from him. Rooms in one of his businesses were let to a social democratic journal. But the founding of the labour banks formed the real bridge between the two groups. I. Stern, supervisor of a Goldschmidt bank, stood godfather to the labour bank—according to the "Berliner Tageblatt"—and worked in it for many years. Later the two S.D.P. directors of the bank (Meyer and Schönherr) were dismissed and the posts filled by two pro-

fessionals from the German Union Bank. They obtained the posts on Goldschmidt's recommendations. One further example: One of the directors appointed by the labour bank to the Hanoverian bank was Julius Schwarz, Goldschmidt's personal friend.

The whole position can be put as follows: the S.D.P. bureaucracy is mobilising the savings of the working class, intended for use in the class struggles, on behalf of finance capital, and in return is being included in the dealings of finance capital. There is no longer the autonomous social democratic capitalism, but the reformist bureaucracy as an integral part of the capitalist system of trust finance. This is the characteristic of the most recent stage of social democratic evolution in Germany.

V.

This inclusion in trust finance puts the finishing touches to social democracy's treachery to the working class and socialism. The earlier personal treachery of a few leaders has become a working system, and the power working that system lies outside social democracy and in the hands of finance capital, which is the dominant member of the trinity—trust finance, the reformist bureaucracy and the labour aristocracy. The official party leadership acts as the executive, and that is composed to an increasing extent of "trust socialists"—people like Bachem, Südekum and Naphtali, "practical men" of the business world, and not of the working class, who regard the working-class movement as an unpopular disturbance of the "regular economic process"—that of capitalist accumulation, in which they themselves share. The new trust socialism has its own supervisory body.

Like every business undertaking, trust socialism has its prospectus, and it is called "economic democracy." Marxism, the theory of Communist society, yields to the theory of amalgamation into the capitalist State. The proletarian class struggle is replaced by the struggle for a share in business and in the policy of finance capital. Social democratic internationalism is transformed into the internationalism of capitalist cartels. Anti-militarism is replaced by acknowledging the "defence ideal" of the German bourgeoisie and armaments industry. And like every

other prospectus, "economic democracy" promises good dividends—a share in capitalist profits.

The actual dealings of trust socialism correspond in every detail with the prospectus. Social democracy has become a part of the capitalist State by joining the great coalition, and the social democratic Finance Minister, Hilferding works alongside the Ruhr director and Industrial Minister, Curtius. The S.D.P. is supporting the exploitation of the German people by finance capital, the S.D.P. is squandering millions of the people's money to subsidise private concerns like the Silesian coal trust; the S.D.P. sanctions the usurious prices of the industrial monopolies. The S.D.P. has also become a part of German imperialism—it is helping to build the armoured cruisers and is supporting the imperialist colonial policy; it joins the anti-Soviet front at Lugano and declares that the War Minister's military preparations are a "necessity." The S.D.P. has also become a part of the capitalist offensive. Wissel, the social democratic Labour Minister, prevents wage struggles by "arbitration" awards, the S.D.P. Minister for the Interior, Severing, sanctions the lock-out of the Ruhr workers while the S.D.P. Minister for Police holds the gendarmerie ready.

In his "Imperialism and Communism," Lenin wrote: "It is clear that these huge profits . . . enable the bourgeoisie to buy the Labour leaders and the upper sections of the labour aristocracy. The capitalists of the most advanced countries really do buy them, by innumerable direct and indirect, open and hidden ways." The wholesale buying of the German social democratic leaders is not a special phenomenon—it is typical of modern monopoly capitalism generally, for it is one of the most profitable concerns that capitalism can set up.

Trust socialism means the amalgamation of finance capital and the social democratic Labour leaders. So long as the social democratic workers fail to recognise this, so long as they fail to see that the class interests of the enemy determine the policy of their party—so long will the trusts rule their party. Trust socialism must be utterly destroyed before the proletariat can be free.

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Book Review

Lenin as Man and Statesman. By Olav Scheflo. Oslo, 1928.

Scheflo, one of the founders and at one time one of the foremost members of the Communist Party of Norway, left it early in 1928. He left the Party after having tried for years to hold up its development by tiresome opportunist vacillations. It is significant that he left it at the moment when the Norwegian Labour Party, by the formation of the Labour Government after an alliance with the old Social-Democratic Party, took up an openly reformist attitude on all practical questions of the class struggle and cast off its centrist pseudo-radicalism. Shortly after Scheflo began to agitate for his acceptance into the Party of Ministerial Socialism, and only a petty detail of formality has so far prevented his admission into the Norwegian Labour Party.

In this work Scheflo has tried to describe Lenin's revolutionary development, his participation in the national and international revolutionary movement against the background of the position and development of the Russian working class before and after the October revolution. The conclusion is a picture of Lenin as an overmastering personality.

It is not worth while to enter into the many weaknesses, mistakes and inadequate knowledge indicated in Scheflo's work, which can be found on every page. The author has only the most meagre knowledge of the development of the Russian proletariat, and is absolutely ignorant of the history of Russian industry. His acquaintance with the life and works of Lenin shows but a very poor knowledge of what is available, at least in the German language. But these are only "trivial matters" for the moment. The decisive question for us is, What has Scheflo made of Lenin and of his great world-historical work? As to the first, the opening of the book is sufficient answer. Using the terminology of an old Norwegian fairy tale, Scheflo states that Lenin did not put away any treasure—that he neither em-

bezzled nor stole. This sort of idea in the minds of the Norwegian petty bourgeoisie is not accidental. The second characteristic of Lenin, it is affirmed with extreme regret, was that under a liberal regime, he had the capacity to become a great scientist (p. 9). Scheflo's petty-bourgeois way of looking at things is expressed even more clearly in this bowing down to the liberal regime, and in the importance which he attaches to "scientist," as well as in his denial of the fact that Lenin, along with Marx and Engels, must be considered as one of the greatest theoreticians. Scheflo, like bourgeois science, seems to take up the point of view that science and a belief in the class struggle cannot be combined. Even if Scheflo has not yet heard of that most important work on "Empirio-Criticism," Lenin's masterly use and description of the dialectical method is in itself a considerable scientific achievement.

And as though that were not enough, Scheflo also thinks of Lenin as a bourgeois statesmen and writer by maintaining that, as opposed to the Communist "theses writers," Lenin changed his theories, like Scheflo changed his Party. Scheflo is more than slightly confused about theories and their adaptation to concrete circumstances, and makes it quite clear that he does not understand either Marxism or the developments of Marxism by Lenin.

We shall omit other typically bourgeois ideas about Lenin, such as Scheflo's lament about Lenin's hard and pitiless methods with all renegades and enemies of the proletariat. What is it which, in Scheflo's opinion, made Lenin so great a man that even he, Scheflo, could not but devote a whole book to him? According to Scheflo, Lenin's greatness consisted in this: "We can say of Lenin that he gained complete power over a mighty empire, and that he won it by the force of his intellectual gifts and the singleness of his character. He had a brain such as few have." And Scheflo goes on to say that it would be difficult to determine who was greater, Lenin, Cæsar, Cromwell or Robespierre.

It is by such an attitude that Scheflo betrays

his utterly Philistine and bourgeois individualist standpoint with regard to "great men."

But that is not all. Scheflo weighs the greatness of these men independently of the social forces which enabled them to become such powerful factors in history. It is pushing even the bourgeois historical standpoint to extremes when Scheflo compares the power that Cæsar won, based on the slave-owners and the landed oligarchy of Rome, with the influence (not the power) wielded by Lenin when the Russian proletariat, in alliance with the peasantry, won power under the genius of Lenin's leadership. This fact, unique in world history, of the actual transference of power, not to Lenin, but to the proletariat as a class, the fact of the opening of the greatest period in the proletarian revolution, the period which marks the end of the "early history of humanity," the part which Lenin played in this gigantic world change—Scheflo compares this with the achievements of the first great bourgeois revolutionary. This is perhaps the sportsman's way of looking at things, who measures the greatness of a man by the number of square metres he has won, irrespective of whether the power is won by slaves, mercenaries, financial manipulations, or the proletariat fighting for its freedom.

The intrinsically petty-bourgeois character of the book becomes really counter-revolutionary. For in his attempt to portray Lenin as one of the band of "unique individual heroes," the author is compelled not only to keep silent about the other aspects of Lenin's peculiar greatness, but also to falsifying facts. He describes Lenin as a dictator who with the methods of a Mussolini ruled his party auto-

cratically and used it as his tool against its will. This falsifies both the nature of the Party and the character of Lenin. Lenin's greatness consists largely in this, that by developing the Russian Bolshevik Party, and later the Communist International, he developed the one means which can lead the proletariat to victory and to Communism. Lenin devoted his forces to this, not as a dictator, but as the great proletarian leader.

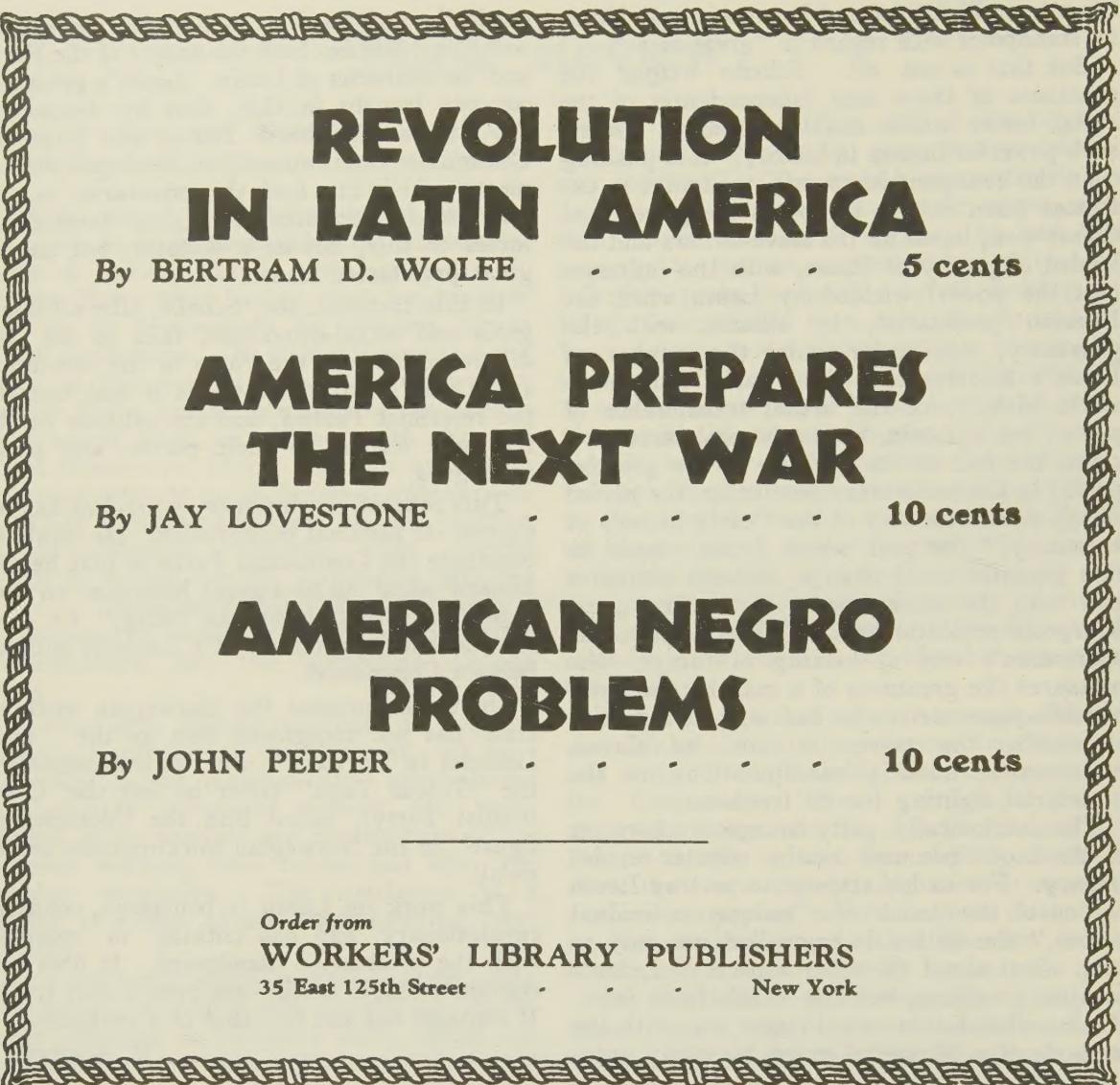
In this instance, too, Scheflo, like all bourgeois and social-democrats, fails to see the difference between the Party of the revolution and Lenin's attitude towards it and towards the reformist Parties, and the attitude of the reformist leaders to their parties and party colleagues.

This counter-revolutionary *volte-face* has, of course, its personal background. He wants to eliminate the Communist Party so that he can himself stand out as a great leader, as an "independent thinking human being," *i.e.*, so that he can declare himself a Leninist without being a Communist.

Up to the present the Norwegian working class has not recognised him as the "only Leninist in Norway." But, as compensation, the "Tideus Tegu" (after he left the Communist Party), called him the "dominating figure" in the Norwegian working-class movement.

This work on Lenin is bourgeois, counter-revolutionary, and has nothing in common with the proletarian standpoint. It does not contain a single truth—not even a half truth. It contains but one lie—that of a renegade.

R. SOUTER.



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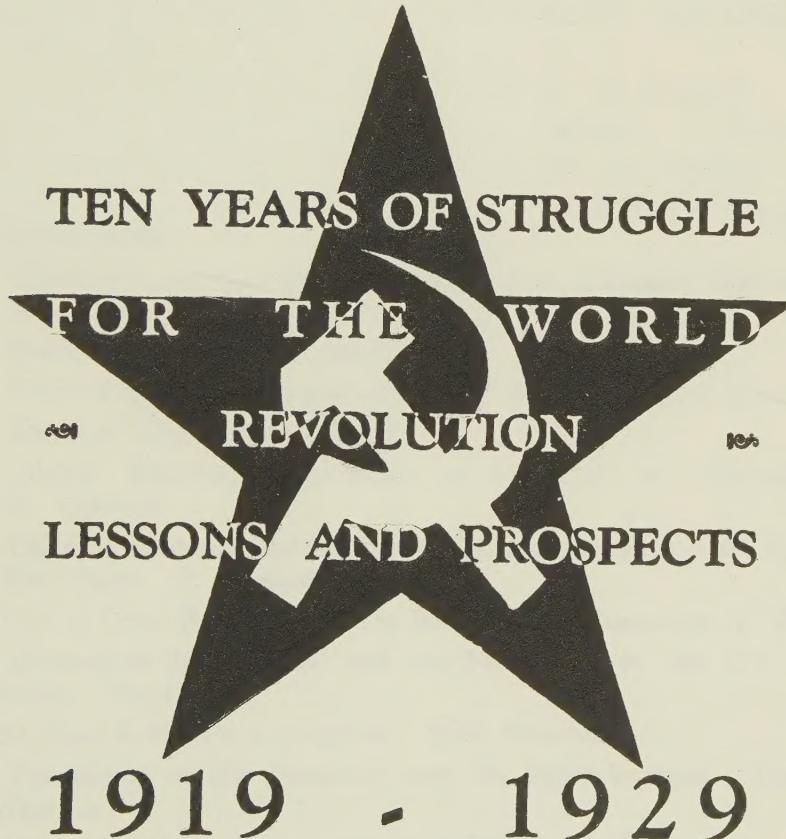
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